

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

LESLIE WASSER,

Defendant.

INFORMATION

08 CR

08 CRIM. 0265

(SCR)

COUNT ONE

The United States Attorney charges:

Relevant Entities and Persons

1. At all times relevant to this Information, Vicon Fiber Optics Corp. ("Vicon" or "the Company") was organized as a corporation under the laws of the State of Delaware, with its headquarters in Pelham Manor, New York. Vicon manufactured and sold products utilizing fiber optic technology, including fiber optic illumination systems for use in conjunction with dental equipment. At all times relevant to this Information, Vicon was a publicly traded company whose shares were traded on the Over-the-Counter Bulletin Board exchange.

2. At all times relevant to this Information, LESLIE WASSER, the defendant, was the Secretary and Chief Financial Officer of Vicon as well as a Director of the Company. WASSER was also a certified public accountant licensed in the State of New York.

The Conspiracy

3. Between in or about 1990 up until approximately 2001, in the Southern District of New York and elsewhere, LESLIE WASSER, the defendant, and his co-conspirators, unlawfully, wilfully, and knowingly did combine, conspire, confederate and agree together to defraud the United States and an agency thereof, to wit, the Internal Revenue Service ("IRS") of the United States Department of Treasury, and to commit offense against the United States, to wit, violations of Title 26, United States Code, Section 7201 and Title 15, United States Code, Sections 78m(a) and 78ff.

Objects of the Conspiracy

4. It was a part and object of the conspiracy that, during the period 1994 through in or about 2001, LESLIE WASSER, the defendant, and his co-conspirators, unlawfully, wilfully and knowingly, would and did defraud the United States of America and the IRS by impeding, impairing, defeating, and obstructing the lawful government functions of the IRS in the ascertainment, evaluation, assessment, and collection of certain individual and corporate income taxes.

5. It was further an object of the conspiracy that, during the period 1994 through in or about 2001, LESLIE WASSER, the defendant, and his co-conspirators, unlawfully, wilfully and knowingly would and did attempt to evade and defeat the tax obligations of certain individuals and corporate entities, in violation of Title 26, United States Code, Section 7201.

6. It was further an object of the conspiracy that, during 2000, LESLIE WASSER, the defendant, and his co-conspirators, unlawfully, wilfully and knowingly, directly and indirectly, by use of means and instrumentalities of interstate commerce, including the mails, would and did use and employ manipulative and deceptive devices and contrivances by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact; and (c) engaging in acts, practices, and courses of business that operated and would operate as a fraud and deceit upon the investing public, the SEC and others, in violation of Title 15, United States Code, Sections 78m(a) and 78ff.

Means and Methods of the Conspiracy

7. Among the means and methods by which LESLIE WASSER, the defendant, and his co-conspirators, would and did carry out the conspiracy were the following:

The Fraudulent Reporting of Vicon's Inventory

8. As a publicly traded company whose shares were listed on the Over-the-Counter Bulletin Board Exchange, Vicon and its directors, officers and employees were required to comply with the regulations of the United States Securities and Exchange Commission ("SEC"). Those regulations protect members of the investing public by, among other things, requiring that a company's financial information is fully and accurately recorded and fairly presented to the public. The regulations require, among other things, that a company submit filings to the SEC in Washington, D.C. that include

fair and accurate financial statements and management discussion and analysis of a company's business.

9. In or about 2000, LESLIE WASSER, the defendant, and his co-conspirators agreed to inflate Vicon's inventory on Vicon's 1999 year-end financial report by approximately \$190,000. WASSER and his co-conspirators prepared, approved, and filed false documents included within Vicon's 1999 year-end report, showing that approximately \$190,000 in additional inventory was being held for Vicon in China. Such additional inventory, had it existed, would have been beneficial to Vicon because it would have allowed Vicon to lower the cost of its sold goods, and thereby achieve a higher net income. This fraudulent representation was intended to make Vicon appear more attractive to a venture capital company.

False and Fraudulent Reporting of Employee Salary Payments

10. For the tax years 1994 through 2000, LESLIE WASSER, the defendant, and his co-conspirators caused Vicon to issue certain checks to WASSER and his co-conspirators, which checks were falsely and fraudulently recorded on the books and records of Vicon as employee reimbursements for travel, entertainment, and office expenses. In truth and fact, as WASSER and his co-conspirators well knew, these payments were not employee expense reimbursements but were, instead, supplemental income to WASSER and his co-conspirators, who disguised the nature of the payments in order to evade personal income tax due and owing to the IRS based on this additional income. Following their receipt of the disguised income, WASSER and his co-

conspirators fraudulently omitted that income from their individual income tax returns for the tax years 1994 through 2000. In addition, by disguising the supplemental income they received on the books and records of Vicon, WASSER and his co-conspirators caused Vicon to falsely under-report certain payroll taxes due and owing to the IRS.

Overt Acts

11. The following over acts, among others, were committed and caused to be committed, in the Southern District of New York and elsewhere, by LESLIE WASSER, the defendant, and his co-conspirators, in furtherance of the conspiracy and to effect its objects:

a. In or about 2000, in the Southern District of New York, LESLIE WASSER, the defendant, and his co-conspirators, agreed to fraudulently mischaracterize the Company's financial condition to the investing public, the SEC, and others.

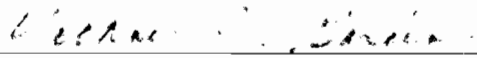
b. On or about April 10, 2000, in the Southern District of New York, LESLIE WASSER, the defendant, and his co-conspirators, prepared, filed and caused to be filed Vicon's annual report on Form 10-K for the period ending December 31, 1999, which report contained materially false information about the Company's finances.

c. In or about the calendar years 1994, 1995, 1996, 1997, 1998, 1999, and 2000, in the Southern District of New York, LESLIE WASSER, the defendant, and his co-conspirators, agreed that the Company would fraudulently generate and maintain false documents and records, which false records were designed to hide and disguise

certain income that WASSER and his co-conspirators received from the Company.

d. In or about 1995, 1996, 1997, 1998, 1999, 2000, and 2001, LESLIE WASSER, the defendant, and his co-conspirators, filed and caused to be filed individual income tax returns for the calendar years 1994-2000, which returns falsely and fraudulently understated the taxes due and owing to the IRS by WASSER and his co-conspirators.

(Title 18, United States Code, Section 371.)


MICHAEL J. GARCIA
United States Attorney